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PART I—Section I

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 21st August 1967

SUBJECT.—*Terms and conditions governing the issuance of licences for private sector imports from Japan under the sixth Yen Credit (Non-project).*

No. 84-ITC(PN)/67.—The conditions governing the issuance of import licences for private sector imports under the Sixth Yen Credit (Non-Project) from Japan as given in Appendix to this Public Notice are notified for the information of the trade.

APPENDIX

Conditions for licensing of Private Sector imports under the Sixth Yen Credit (Non Project).

1. The import licence will be issued with an initial validity period of six months.

2. Firm orders must be placed on the Japanese suppliers within 3 months of issue of the licence. If necessary, the licence may be presented for revalidation for *ordering* giving reasons why orders could not be placed within three months. The request will be considered on merits and if accepted, the licence will be revalidated for ordering for a further period of three months. Further revalidation will be considered *only* if orders have been placed.

3. The Contract may be on C & F or C.I.F. basis. It should clearly indicate the value of the goods in YEN currency. The contract has to be approved by the Government of India and Government of Japan for financing under the Sixth Yen Credit. The importers must observe the value limit indicated in Annexure IV and the number of contracts should be kept to the minimum against an import licence. The commission payable to Indian Agents and other charges in India shall be paid by the importers, directly in Indian Rupees.

4. The contracts should provide for payment on cash basis *i.e.*, on presentation of shipping documents. *No payments can be permitted* after the 31st January, 1969.

5. The special clauses mentioned in the Annexure I should be incorporated in the contracts.

6. Three copies of the contract between the Indian importers and the Japanese supplier should be forwarded to the Ministry of Finance, Department of Economic Affairs, (A.E. I. Section, Room No. 180, North Block), Central Secretariat, New Delhi, who will obtain the approval of the Export Import Bank of Japan, for the contract.

7. As soon as the approval of the EXIM Bank to the financing of the contract under the Yen Credit arrangement is received, the importer will be advised to furnish a bank guarantee in the form prescribed as at Annexure II, to the Ministry of Finance, Deptt., of Economic Affairs (A.E.I. Section, Room No. 180, North Block), New Delhi to enable them to permit the opening of Letter of Credit on the designated Japanese Bank.

8. If the bank guarantee is found in order, the Indian Bank furnishing the Bank guarantee will be authorised to open a Letter of Credit as in Annexure III. *No foreign exchange remittance from India will be permitted under this licence*. The Letter of Credit will provide for payments to the suppliers or their bankers, by the specified Japanese Bank against the Sixth Yen Credit.

9. The Bank opening the Letter of Credit will advise of its particulars to:—

(i) The Secretary, Ministry of Finance, Deptt., of Economic Affairs (A.E.I. Section, Room No. 180, North Block) New Delhi; and

(ii) The Counsellor (Economic), Embassy of India, Tokyo (Japan).

10. As and when payments are made against this licence, the importers (or their bankers) will have to deposit the rupee equivalents of Yen amounts paid along with their amounts as indicated below:—

(i) Rupee equivalent of the Yen payment to the supplier, or their bank in Japan, by applying the composite rate of conversion of 1 Yen-

Re. 0·0213 (*Any change in this rate will be intimated if any when made.*).

(ii) Interest at 6 per cent per annum for the period between the date of payment to the supplier, or bank in Japan and the actual date of deposit of the rupee equivalents for credit to the Government account. (*Any change in this rate will be intimated if and when made*).

11. The amount specified in condition 10 above shall be deposited with the State Bank of India, Delhi, or the Reserve Bank of India, New Delhi, or remitted by means of a demand draft in the name of A.G.C.R., New Delhi and drawn on the State Bank of India, New Delhi, for credit to the Central Government account—"T-Deposits and Advances—Part II Deposits not bearing interest—Civil Deposits—Deposits for purchases abroad under direct payment procedure under foreign loans/credits under the detailed head "Deposits for cost of equipment etc., obtained under the Sixth Yen Credit from Japan." The demand draft mentioned above should be forwarded to the A.G.C.R., New Delhi under intimation to the Senior Accounts Officer, Ministry of Finance, Deptt. of Economic Affairs, Jeevan Deep Building, Parliament Street, New Delhi.

12. On completion of the payments against the Letter of Credit and deposit of rupee equivalents against the Bank guarantee, a report giving particulars of payments/deposits will be made to the Senior Accounts Officer, Ministry of Finance, Deptt. of Economic Affairs, Jeevan Deep Building, Parliament Stree, New Delhi, requesting for release of the Bank Guarantee.

ANNEXURE I

Special Clauses to be incorporated in the Private Sector Contracts to be financed under the Sixth Yen Credit (Non-Project)

(a) This export-import contract is arranged in accordance with the Loan agreement dated the 16th December, 1966, concerning the Sixth Yen Credit (Non Project Aid) to India.

(b) This export-import contract shall become effective upon the approval of the Government of India and the Government of Japan.

(c) Payments in Yen under this contract to the exporter will be made under a confirmed irrevocable Letter of Credit opened in the form attached on a Japanese Bank designated for the purpose through the importer's Bank in India.

(d) The exporter hereby agrees to furnish such information and documents as required under the Yen Credit arrangement by the Government of India and the Japanese participating banks.

(e) The exporter hereby agrees to furnish a report to the Embassy of India, Tokyo, immediately after shipment of the shipping arrangements along with one copy of the invoice and one copy of the Bill of lading.

ANNEXURE II

Guarantee Bond

To

The President of India,

In consideration of the President of India (hereinafter called 'the Government') having agreed to arrange for payment in Yens for the import of .... by ..... (hereinafter called the 'importer') under the terms and conditions of Sixth Yen Credit (Non-Project Aid), we .... Bank Ltd., at the request of the importer hereby undertake to arrange to deposit the amounts of the disbursements made by the Japanese Bank converted at the rate of 1 Yen=Re. 0·213 or the rate of conversion indicated for the purpose at the time of deposit within ten days of the receipt of advice of payment, for credit to the Government account in the manner and against the appropriate Heads of Account as indicated by Government of India under the said credit together with interest thereon at the rate of 6 per cent per annum, until further notice from the date of payment to the Japanese supplier to the date of payment of Rupee equivalent for credit to the Government account. The negotiable set of Import documents received from the Japanese Bank will be released to the importer only after the rupee deposits contemplated above have been made.

2. We the ..... Bank Ltd., also undertake to indemnify and keep indemnified the Government against any default in payment by the importer of any sum that may be due and payable from time to time by the importer to the Government at such place and in such manner as the Government may from time to time direct, such sums not exceeding Rs. ...., or any part thereof, for the time being due and payable by the importer, together with interest at the rate of interest mentioned in preceding paragraph from the date of payment to the Japanese supplier out of the Sixth Yen Credit. The decision of the Government as to any default in the said payment by the importer, or on his part and in regard to the amount payable to the Government by us ..... Bank Ltd. shall be final and binding on us .....Bank Ltd.

3. We ..... Bank Ltd., further agree that in case of increase in the value of imports or increase in the value of unfulfilled deliveries under the contract as a result of change in the IMF parity rate of exchange, the amount of this guarantee bond will be adjusted as on the date when the change takes place, in proportion to this change.

4. We ..... Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement/contract and that it shall continue to be enforceable till all the dues to the Government under, or by virtue of this guarantee have been fully paid and its claims satisfied or discharged.

5. The guarantee herein contained shall not be affected by any change in the constitution of the importer or the..... ..... Bank Ltd. and the Government shall have the fullest liberty without effecting the guarantee to postpone for any time and from time to time any of the powers exercisable by it against

the importer and either to enforce payment by the Importer of any of the amounts the payment whereof is intended to be hereby secured and the .. .. Bank Ltd., shall not be released from its liability under this guarantee by any exercise of the Government of the liberty with reference to the matters aforesaid or by reason of time being given to the Importer or any other forbearance, act or omission on the part of the Government or any indulgence by the Government to the Importer or by any other matter or thing whatsoever which under the law relating to sureties shall, but for this provision, have the effect of so releasing the ... . Bank Ltd., from its such liability.

6. We ... . Bank Ltd., lastly undertake not to revoke, this guarantee during its currency except with previous consent of the Government. in writing. This guarantee will be valid upto ....

Dated ———————— day of——19

for ———————— Bank Ltd.

Accepted for and on behalf of
the President of India by
Shri ————————————

(Name & designation)

Signature Signature

NOTE:—The validity period of this guarantee should be six months beyond the date of expiry of the relevant contract.

NOTE 2:—The value of the stamped paper on which this guarantee is to be executed is to be adjudicated by the Collector of Stamps.

ANNEXURE III

(Name of issuing Bank in India)

To

(Designated Japanese Bank)

(Date)

This letter of credit has been issued pursuant to Article V of the Loan Agreement dated December 16, 1966 concerning the Sixth Yen Credit (Non-Project Aid) to India and in accordance with the Notice of Approval No. ———————— issued by the Export-Import Bank of Japan.

Dear Sirs,

We request you to advise .... that we have opened our irrevocable credit No. .... in their favour for account of ..... for a sum or

sums not exceeding the total of ..... available by beneficiary's draft(s) at sight for .....% invoice value drawn on your (Designated Japanese Bank), covering shipment from ..... to ..... of ————————— to be accompanied by the following documents:

———————————————

———————————————

———————————————

All documents must indicate import licence No. ..... and the Export-Import Bank of Japan Notice of Approval No. ..... Partial shipments are permitted/not permitted. Trans-shipment is permitted/not permitted. Shipment must be effected not later than ..... Drafts must be presented to the drawee not later than .....

All drafts drawn hereunder must be marked "Drawn under..... Irrevocable Credit No. ..... Dt. .....".

We hereby undertake that all drafts drawn under and in compliance with the terms of the credit shall be duly honoured on due presentation and delivery of documents to the drawee.

Special Instructions:

1. This Letter of Credit does not become available unless the insurance of letter of Undertaking as provided for in Article V of the Loan Agreement dt. 16th December, 1966, concerning the sixth Yen Credit (Non-Project Aid) is confirmed and certified by you to that effect on the face of your advise of this Credit to the beneficiary.

Shri Gulshan; EAON SHRDLU CMFWYP EATOIN CMFWYP ETAOI

2. Simultaneously with payment of draft (s) under this Letter of Credit, reimbursement shall be obtained by you in accordance with Article Vof the said Loan Agreement.

3. All banking charges in connection with this Letter of Crdit are to be paid by us.

4. The terminal date for making payments under this Letter of Credit will be————————

Yours faithfully.

Note:—The issuing Bank in India should notify the Deptt. of Economic Affairs (AEI Section) of the opening of the Letter of Credit, with a copy of the Leter of Credit opened.

ANNEXURE IV

Statement showing the minimum value for contracting under the Sixth Yen Credit.

(a) *The minimum value of contracts for the following items should be Rs. 7·5 lakhs (Yen 36,000,000).*

1. Pesticides, including intermediates and raw materials.

2. Rolls.

(b) *The minimum value of contracts for the undernoted items should be Rs. 1·88 lakhs (Yen 9,000,000).*

1. Steel.

2. Graphite and graphite products (except natural graphite).

3. Dyeing and Colouring materials, including Dye Intermediates.

4. Chemical elements and compounds.

5. Other items as may be mutually agreed.

NOTE:—The minimum value for contracts of Indo-Japanese ventures for any of the items mentioned above is Rs. 37,600 (Yen 1,800,000).

P. D. KASBEKAR,

Chief Controller of Imports and Exports.

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